DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: May 27, 2011 **BILL NUMBER:** AB 69
POSITION: Oppose **AUTHOR:** J. Beall

BILL SUMMARY: Senior Nutrition Benefits

This bill would require the Department of Social Services (DSS) to allow counties to use existing information from the Social Security Administration (SSA) to identify low-income seniors and to simplify their CalFresh enrollment, provided counties have the ability to adapt their existing automation systems without cost or significant changes. In addition, this bill would require the DSS to support CalFresh enrollment efforts by: (1) working with the SSA to identify low-income seniors age 60 or older whose income and other factors are likely to qualify them for CalFresh benefits; (2) developing a streamlined application and simplified enrollment process for likely eligible recipients, which may include strategies used by other states; and (3) seeking waivers, grants, or other necessary federal authority and support.

FISCAL SUMMARY

The California Food Policy Advocates estimate approximately 440,000 California households include a social security recipient (aged 60+) eligible for but not receiving CalFresh benefits. Assuming statewide implementation and that approximately 151,000 households would enroll in the CalFresh program, this bill would result in administrative costs of approximately $22.4 million ($7.9 million General Fund) in 2012-13 and $11.3 million ($4 million General Fund) annually thereafter. The 151,000 households is derived from the national participation rate of seniors and assumes that 34 percent of eligible seniors would enroll. There would also be a one-time General Fund costs in the hundreds of thousands of dollars in 2011-12 for automation.

The annual estimated federal food benefits for the state associated with the 151,000 newly-enrolled households would be approximately $333.3 million. Research shows that individuals with income low enough to receive food stamp benefits would spend approximately 45 percent of their income on taxable goods. Because the General Fund receives approximately 5 cents for every dollar that is spent on a taxable good, this measure would result in approximately $7.3 million in new General Fund revenues annually.

COMMENTS

The Department of Finance opposes this bill for the following reasons:

- This bill would result in upfront General Fund costs in the hundreds of thousands of dollars in 2011-12 for automation.
- This bill is unnecessary since the DSS can initiate contact with the SSA as well as request federal waiver authority to implement self-certification, standardize benefits, and automate the application process without this measure.
- The bill likely could not be implemented if enacted because of SSA privacy concerns. Federal laws prohibit the SSA from releasing its clients' information without their consent.

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Department Deputy Director	Date

Governor's Office:	By:	Date:	Position Approved_______ Position Disapproved

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Code/Department Agency or Revenue Type	SO LA CO RV	PROP 98	FC	(Fiscal Impact by Fiscal Year) (Dollars in Thousands) 2011-2012	FC	2012-2013	FC	2013-2014	Fund Code
5180/Social Svcs	LA	No		--------------------- See Fiscal Summary ---------------------					0001
1149/Sale Use Tax	RV	Yes		--------------------- See Fiscal Summary ---------------------					0001